

NATIONAL CREDIT UNION ADMINISTRATION

Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund

General Guidelines for Technical Assistance Grants for Credit Unions

Outreach and Partnering Initiative - 2006

Opens: May 5, 2006

Closes: July 7, 2006, 5 p.m. EST

Awards Announced: September 8, 2006

1. Application
2. Instructions
3. Guidelines

Eligible credit unions may apply for up to \$10,000.

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, Virginia 22314*

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<p>Application Outreach and Partnering Grant Initiative-2006</p>

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE NUMBER	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE*	

*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and in question 7 of the application.

Please read all instructions and guidelines thoroughly before completing the application.

Answer the following twelve (12) questions and attach separate sheets as necessary for your responses.

Description and Objectives of the Project

1. Describe fully the activity or project that the grant will cover.
2. What is the total cost of implementing the project or undertaking the activity?
3. Provide a list of vendors who will deliver the goods and/or services.
4. Provide an itemized list of costs associated with the project.
5. Attach copies of bids, estimates, prices, and other supporting information.
6. How will the proceeds of the grant
 - a) improve the quality of financial services to members; or,
 - b) stimulate economic activities in the communities served by the credit union, and result in increase income, ownership, or employment?
7. How will the credit union measure
 - a) improvement in financial services to members; or,
 - b) economic activities in the communities served by the credit unions that have resulted in increased income, ownership, or employment?
8. If your credit union receives this grant from the CDRLF, what financial results do you expect to observe at the credit union? * (Note: Annual growth rates should be measured from September 2006 to September 2007.)

	Dollars	Percent
Annual growth in loans?	\$_____	_____%
Annual growth in shares?	\$_____	_____%

* The success of the CDRLF's grant program is measured, in part, by the improvement in the financial condition of the credit unions that participate in the program. The credit union should fill in the table with anticipated growth rates based on receipt of the grant and completion of the project or activity. NCUA's measurement objectives are presented in the General Guidelines for 2006 Technical Assistance Grants, and reproduced here for ease of reference.

Annual growth in loans	10.15%
Annual growth in shares	5.30%
Annual growth in assets	6.05%
Annual growth in net worth	8.50%
Annual membership growth	1.40%

Annual growth in assets?	\$ _____	_____ %
Annual growth in net worth?	\$ _____	_____ %
	Number	Percent
Annual membership growth?	_____	_____ %

Performance Measurement

9. Provide at least one criterion by which the project should be evaluated in the event a grant is awarded.
10. What steps will the credit union take to ensure that the project's objectives are met?
11. What steps will the credit union take to ensure that financial projections are met?

Partner Organization

12. Provide the name and address of the partner organization. Include a letter or statement indicating the partner has agreed to take part in this project. Explain the role of the partner organization in the project. If the credit union has not established a partnership relationship, state, "none."

General Guidelines for Technical Assistance Grants for Credit Unions

Outreach and Partnering Grant Initiative-2006

Instructions

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4. above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be credit.union@ncua.gov), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12. above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

(703) 518-6610—phone
(703) 519-4088—facsimile
E-mail: oscuiapps@ncua.gov

Guidelines

What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and technical assistance grants (TAGs) available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to:

- Improve the quality of financial services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

By applying for technical assistance grant funds, the credit union is committing to working toward the purpose of the CDRLF and the objective of a technical assistance grant.

Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

How does the grant payment process work?

Credit unions must apply for and be approved for a grant before making any expenditures.

After receiving a grant award letter, the credit union may purchase the goods or spend the funds, up to the amount approved.

The credit union must then submit copies of receipts and evidence of payment to NCUA for reimbursement.

All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.

What is the Outreach and Partnering Grant Initiative?

The Outreach and Partnering Grant Initiative provides funds to eligible credit unions to deliver more or better financial services to the credit union membership and to the community.

Eligible credit unions that desire grants for projects that enhance member services may apply for this grant: a partnering agreement is not necessary. However, NCUA believes that credit unions working in partnership with corporations, foundations, government agencies, and non-governmental organizations can form synergies for community development. The credit union and the partner organization bring different strengths to a project that serves the community. Working with a partner organization, credit unions can more efficiently deliver financial services to their communities, by increasing loan and share activity and reaching out to a greater number of members.

Partner organizations may include, but are not limited to, the following:

- Local, State, or Federal Government Agencies,
- Community Development Organizations,
- Faith Based Organizations,
- Corporations,
- Non-Profit Organizations,
- Credit Unions,
- Other Financial Institutions,
- Foundations, and
- Schools and Colleges.

What are the allowable uses of funds?

Grant funds may be used to pay the following costs associated with new or enhanced products or services for members. This list is not exhaustive, but is intended to be representative of costs which may be approved.

- Developing course curriculum for member education/financial education
- Developing policies and procedures
- Equipment installation
- Equipment purchase
- Equipment rental
- Marketing and advertising
- Mileage (not to exceed the 2006 IRS mileage rate of 44.5 cents per mile)
- Parking
- Printing and reproduction
- Programming costs
- Public transportation fares (air, train, bus, subway)
- Supplies
- Training directly related to new products or services
- Related taxi fares

All approved costs will be detailed in the grant award letter to the credit union.

What are examples of joint projects?

The following is a list of project ideas that may involve a credit union and one or more partner organizations. The examples below are intended to demonstrate the range of projects and partnerships that would be acceptable under this grant initiative.

- Providing alternatives to predatory lending
- Providing bill pay services
- Counseling Small Businesses
- Financial Counseling
- Financial Education
- Individual Development Accounts
- In-school Branching/Training
- International Remittances Services
- Mentoring
- Mortgage Counseling/Foreclosure prevention
- Developing or Providing Online training
- Developing Participation Lending Program
- Establishing Shared Facilities/Branching
- Establishing Shared Human Resource Systems
- Shared space/shared use of space
- Shared technology
- Providing Translation/Interpretation Services
- Developing Volunteer Services

Developing web access services
Conducting Workshops/Seminars/Classes

How much money is available?

NCUA has allocated \$400,000 to this grant initiative. Low-income designated credit union may apply for up to \$10,000 in grant funds under this initiative. Grants will be awarded based on the merit of the application.

What are the application deadlines?

Application Open Date: May 5, 2006
Application Closing Date: July 7, 2006

All applications for funds under this Initiative must be received in the Office of Small Credit Union Initiatives by 5 p.m. on July 7, 2006, the closing date. Applications received after that date will be returned, unprocessed, to the credit union.

What is the method for evaluating the grant applications?

Grant applications will be evaluated at the end of the application acceptance period.

Applications will be evaluated based on financial and non-financial factors as listed below.

Financial factors include the following:

CAMEL Rating
Net Worth Ratio
Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the financial health and fitness of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project as described in the grant application.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds. Under this grant initiative, a credit union with a viable partner relationship will receive more favorable consideration.

What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application.

Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088

Applications may be emailed to: oscuiapps@ncua.gov

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

When will credit unions know about grant awards?

Applications will be evaluated at the end of the open period. Credit unions will be notified by September 8, 2006 of the decision made on their grant applications.

What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide to OSCUI a summary of the impact of the grant funding on the credit union's operations. The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions must specify the impact that grant funds have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

The time frame for submitting the summary is generally 6 months after receiving the grant, and will be restated in the award letter. The submission deadline is established to allow reasonable time for the credit union to ascertain the benefits of the grant.

Summaries may be faxed to: (703) 519-4088

Summaries may be emailed to: oscuiapps@ncua.gov

Is there anything that would cause an application to be immediately denied?

Yes.

1. Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.
2. TAG funds are generally not provided for recurring operational expenses such as salaries, rent, office occupancy or office supplies.
3. TAG funds may not be used to reimburse NCUA for any activity.

How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Phone: (703) 518-6610
Fax: (703) 519-4088
Email: oscuiapps@ncua.gov